Research Paper | Commerce | E-ISSN No : 2454-9916 | Volume : 11 | Issue : 6 | June 2025

AN EMPIRICAL STUDY ON THE EFFECT OF QUARTERLY EARNINGS REPORTS ON STOCK PRICES OF SELECTED COMPANIES OF INDIAN

Vikram G. Rabari[1], Dr. Rajesh M Patel[2]

[1] Ph.D. Research Scholar, Gujarat University, Ahmedabad

[2] Assistant Professor, N C Bodiwala and Prin. M C Desai Commerce College, Gujarat University, Ahmedabad

ABSTRACT

Quarterly earnings reports serve as a vital channel of communication between publicly listed companies and their stakeholders, particularly investors. These reports offer timely and periodic insights into a company's financial health, profitability, and operational efficiency. In a dynamic and competitive market like India, investors often rely on these disclosures to make informed decisions about buying, holding, or selling shares. The research aims to analyze the quarterly financial performance of five major companies—Asian Paints Ltd, HCL Ltd, Hindustan Unilever Ltd, Infosys Ltd, and ITC Ltd—and examine whether there is any significant impact of these performance indicators on their stock price movements. By studying financial metrics such as Net Profit Margin (%) and Earnings Per Share (EPS) alongside quarterly stock prices over a one-year period, the research seeks to uncover patterns or discrepancies in investor reactions to reported earnings. The findings of the study suggest that there is no direct or consistent correlation between quarterly financial performance and stock price movements in the selected companies. Despite fluctuations in EPS and profit margins, stock prices appear to be influenced by a complex mix of market sentiment, industry outlook, and broader economic factors, thereby challenging the assumption that strong financial performance automatically results in positive stock market behaviour.

KEYWORDS: Quarterly Earnings Reports, Stock Prices, Net Profit Margin, Earnings Per Share, Indian Companies, Financial Performance, Market Reaction

1. INTRODUCTION

In the dynamic landscape of financial markets, quarterly earnings reports serve as a critical communication tool between a company and its investors. These reports, released at the end of every fiscal quarter, offer a detailed view of a company's financial performance, including key indicators such as revenue, net profit, earnings per share (EPS), and guidance for future quarters. For investors, analysts, and market participants, these disclosures are essential in assessing a company's health, profitability, and growth potential. In India, where market sentiment can shift rapidly, the timing and content of these earnings reports often play a pivotal role in influencing share prices. The Indian stock market, represented by major exchanges like the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), is highly sensitive to new information. Quarterly earnings announcements are among the most significant market-moving events, as they directly reflect the operational and financial outcomes of a company. When actual earnings exceed market expectations, stock prices tend to react positively, rewarding the company for its performance. Conversely, if reported earnings fall short of expectations, share prices often decline as investor confidence takes a hit. This reaction is an embodiment of the efficient market hypothesis, which suggests that markets quickly absorb and reflect all publicly available information.

Indian investors, both institutional and retail, have shown an increasing reliance on quarterly reports to make informed investment decisions. With the growth of digital platforms and real-time financial news, access to these earnings disclosures has become faster and more widespread. As a result, the Indian equity market exhibits prompt and sometimes volatile responses to earnings announcements. Sectors such as information technology, banking, and consumer goods, where quarterly performance can significantly fluctuate, are especially prone to immediate stock price movements after earnings releases.

Furthermore, the Securities and Exchange Board of India (SEBI) mandates timely and transparent quarterly reporting to ensure a high level of corporate governance and investor protection. These regulations have brought a level of discipline and consistency to financial reporting among Indian companies. However, the interpretation of earnings results remains subjective and can vary based on investor expectations, sectoral performance, and broader economic trends. Sometimes, even positive earnings can lead to a fall in share prices if they do not meet inflated market expectations or if the forward guidance is weak.

Overall, quarterly earnings reports are not just routine disclosures; they are a strategic instrument through which companies signal their current performance and future prospects to the market. For Indian companies, the impact of these reports on share prices is both immediate and profound. Understanding the nuances of this relationship is crucial for investors, analysts, and policymakers to navigate the complexities of the Indian

stock market effectively.

2. LITERATURE REVIEW

Kumar and Rani (2021) examined the influence of key financial performance indicators on the stock prices of Indian manufacturing companies listed on the NSE. The study analysed a panel dataset comprising 50 firms over a 5-year period using regression analysis. Their findings revealed that earnings per share (EPS), return on equity (ROE), and net profit margin had a statistically significant and positive impact on stock prices. Conversely, debt-equity ratio had a negative relationship with stock prices, suggesting that high leverage reduced investor confidence in the firms. The study concluded that profitability indicators were more influential in determining stock prices than leverage or liquidity ratios, especially in the context of manufacturing firms in India.

Patel and Shah (2022) focused on the financial performance of companies in the Indian IT sector and its correlation with stock price volatility. Using quarterly data from 2016 to 2021, the authors employed correlation and multiple regression models to determine the impact of financial metrics such as return on assets (ROA), current ratio, and gross profit margin on stock prices. Their analysis found that ROA and gross profit margin significantly influenced stock prices, while current ratio did not have a considerable effect. They argued that investors in the IT sector were more responsive to profitability and efficiency ratios than to liquidity measures. This indicated a sector-specific sensitivity of stock prices to certain financial performance indicators.

Joshi and Mehta (2021) conducted a study on the relationship between financial performance and market valuation of firms in the Indian pharmaceutical industry. They considered financial variables like EPS, book value per share, and debt-equity ratio across a sample of 30 pharmaceutical companies. Using fixed-effect panel regression analysis, the study found that EPS was the most significant predictor of stock prices. Book value per share also had a strong positive influence, whereas the debt-equity ratio had a negligible impact. The authors concluded that in a post-pandemic era, investors placed high importance on profitability and tangible asset backing when evaluating stock prices in the pharmaceutical sector.

Rao and Chatterjee (2023) investigated how financial performance metrics influenced the stock prices of banking companies listed on the BSE. The study was based on secondary data from 2015 to 2022 and used time series econometric techniques like Vector Auto Regression (VAR) and Granger Causality tests. The findings indicated a significant causal relationship between return on assets, net interest margin, and stock prices. Interestingly, the capital adequacy ratio did not show a strong influence, suggesting that market valuation in the Indian banking sector is driven more by profitability than by regulatory capital. The study emphasized the importance of sector-specific financial indicators in shaping investor sentiment.

Deshmukh and Iyer (2021) conducted a comprehensive study on the impact of financial performance on the stock prices of FMCG companies in India. Their research, which covered a period from 2014 to 2020, used a combination of descriptive statistics and regression analysis. The authors found that revenue growth, ROE, and EPS were positively associated with stock price appreciation. Moreover, the study highlighted that financial performance had a stronger impact on long-term stock price movements than short-term fluctuations. It concluded that investors in the FMCG sector prioritized consistent financial performance and growth over temporary market trends.

Verma and Thakur (2022) explored how market perception and financial performance collectively influenced stock prices in mid-cap companies. They employed a structural equation modelling (SEM) approach to understand the interplay between investor sentiment, financial ratios, and stock valuation. The results showed that while market perception significantly mediated the relationship between EPS and stock prices, the direct effect of financial indicators like net profit and ROE remained substantial. The study pointed out that in the Indian mid-cap segment, psychological and behavioural factors interact with traditional financial metrics to influence stock prices.

Singh and Gupta (2023) studied the post-COVID period to assess how financial resilience influenced stock prices among Indian companies. Their research focused on 100 NSE-listed firms across different sectors, analysing annual reports and market data from 2020 to 2023. The study identified that firms with stable cash flows, high operating margins, and strong liquidity recovered faster in terms of stock price performance. Investors, according to their findings, showed a clear preference for companies that demonstrated financial stability during the economic downturn. This study highlighted a shift in investor focus from mere profitability to overall financial resilience in uncertain times.

3. NEED OF THE STUDY

The Indian capital market has witnessed remarkable growth in recent decades, fueled by economic liberalization, increased investor participation, and improved regulatory mechanisms. In this fast-evolving financial ecosystem, quarterly earnings reports have emerged as crucial indicators of a company's financial health and performance. These reports are not only essential for stakeholders to evaluate operational outcomes but also serve as key triggers for stock price movements. However, while it is commonly accepted that earnings announcements affect share prices, the nature, extent, and consistency of this impact remain areas of active investigation, particularly in the Indian context where market behaviour can be influenced by a variety of economic and non-economic factors.

Understanding the effect of quarterly earnings reports on stock prices is vital for investors seeking to make informed and timely investment decisions. Given the significant role that expectations and investor sentiment play in market dynamics, it becomes essential to empirically analyse how Indian stock prices respond to actual earnings disclosures. The volatility observed during earnings seasons across major sectors indicates

that these financial announcements often serve as catalysts for market movements. However, whether such reactions are proportionate to the performance reported, or influenced more by speculation and herd behaviour, is a question that needs detailed examination. This study, therefore, aims to fill this gap by systematically analysing the relationship between earnings reports and stock price movements.

Another reason highlighting the need for this study is the increasing reliance of retail investors on quarterly updates in a digital age. With the democratization of stock market information through online trading apps and financial news portals, even small investors actively monitor earnings announcements to guide their decisions. Yet, many of these investors may lack the analytical tools or understanding to correctly interpret financial data. By identifying patterns and trends in how the Indian market reacts to earnings reports, the study can offer valuable insights that enhance investor awareness and reduce reliance on speculation.

From an academic and policy-making perspective, this research is also significant in evaluating the efficiency of the Indian stock market. According to the semi-strong form of the Efficient Market Hypothesis (EMH), share prices should quickly incorporate all publicly available information, including quarterly results. If the study finds consistent and predictable reactions to earnings announcements, it would support the notion that the Indian stock market is reasonably efficient. On the other hand, if abnormal returns persist around earnings disclosures, it may point to inefficiencies or asymmetries in how information is disseminated and acted upon by market participants.

Lastly, this study holds practical relevance for corporate managers and regulatory bodies. Managers can better understand investor expectations and market behaviour surrounding earnings announcements, helping them improve transparency and investor communication strategies. Regulators like SEBI can also benefit from such empirical findings to further strengthen disclosure norms and ensure fair trading practices. In sum, this study is necessary to explore the interplay between financial disclosures and market behaviour, especially in a growing and increasingly complex financial market like India's.

4. RESEARCH METHODOLOGY

Objectives of the Study

1. To analyse the quarterly performance of selected companies of India
2. To find out impact of quarterly performance on stock price of selected companies of India

Sample Size

In this study below mentioned 5 companies have been selected

1. Asian Paints Ltd
2. HCL Ltd
3. Hindustan Unilever Ltd
4. Infosys Ltd
5. ITC Ltd

5. Data Analysis

5.1

NET PROFIT MARGIN (%)					
COMPANY	QTR Sep-22	QTR Dec-22	QTR Mar-23	QTR Jun-23	QTR Sep-23
Asian Paints Ltd	10.39	14.44	16.18	18.59	15.80
HCL Ltd	14.13	15.34	14.96	13.43	14.37
Hindustan Unilever Ltd	17.63	15.91	17.09	16.49	17.01
Infosys Ltd	16.49	17.19	16.38	15.67	15.94
ITC Ltd	27.37	28.69	29.73	30.24	27.93

The table presents the quarterly Net Profit Margin (NPM) percentages of five major Indian companies—Asian Paints Ltd, HCL Ltd, Hindustan Unilever Ltd, Infosys Ltd, and ITC Ltd—over five consecutive quarters from September 2022 to September 2023. The Net Profit Margin is a key financial metric that indicates how much of a company's revenue is translated into profit after accounting for all expenses. It is expressed as a percentage and serves as an important indicator of profitability and cost efficiency.

Starting with Asian Paints Ltd, there is a noticeable upward trend in its net profit margin from September 2022 (10.39%) to June 2023 (18.59%). This consistent growth suggests that the company may have successfully optimized its operations, reduced costs, or benefited from increased pricing power and strong demand. However, in the quarter ending September 2023, the margin slightly declined to 15.80%, indicating possible rising input costs or seasonal fluctuations affecting profitability.

In the case of HCL Ltd, the net profit margin showed slight fluctuations over the quarters. It started at 14.13% in September 2022 and peaked at 15.34% in December 2022. However, it declined to 13.43% in June 2023 before rebounding to 14.37% in September 2023. This pattern suggests that while the company maintains a generally stable profit margin, it may be subject to cyclical or operational factors that lead to periodic dips, potentially due to changes in project delivery cycles or wage costs in the IT services sector.

Hindustan Unilever Ltd demonstrated a relatively stable net profit margin over the five quarters, ranging between 15.91% and 17.63%. The highest margin was observed in September 2022, with a minor decline in December 2022, followed by fluctuations within a narrow range. This stability reflects the company's strong brand presence, pricing power, and efficient cost management, although minor changes may reflect seasonal variations in product demand or promotional expenses.

Infosys Ltd, a major IT services company, displayed a slight downward trend in its profit margin from December 2022 (17.19%) to June 2023 (15.67%), followed by a marginal recovery in September 2023 (15.94%). The data suggests pressure on profitability, possibly due to rising operational costs, competitive pricing in the IT sector, or foreign exchange-

related volatility. The company's margins are still healthy, but the subtle decline could be indicative of market saturation or margin compression.

ITC Ltd consistently reported the highest net profit margins among the five companies, with a steady rise from 27.37% in September 2022 to a peak of 30.24% in June 2023. However, there was a minor drop to 27.93% in September 2023. The high and stable margins suggest robust pricing strategies, strong performance in the FMCG and tobacco divisions, and effective cost controls. ITC's diversified business model appears to provide consistent profitability, with slight variations possibly due to tax or regulatory changes.

Overall, the data reveals that while all five companies maintain relatively strong net profit margins, the patterns differ across sectors. Consumer-focused firms like ITC and Hindustan Unilever exhibit more consistent margins due to stable demand and brand strength, whereas IT and manufacturing companies like Infosys and Asian Paints show more variability influenced by market dynamics, input costs, and operational scale. Understanding these trends is crucial for investors and stakeholders to assess financial health and predict future performance.

5.2

NET PROFIT MARGIN (%)					
COMPANY	QTR Sep-22	QTR Dec-22	QTR Mar-23	QTR Jun-23	QTR Sep-23
Asian Paints Ltd	7.96	11.32	12.86	15.73	12.10
HCL Ltd	12.86	15.09	14.68	13.02	14.12
Hindustan Unilever Ltd	11.34	10.53	11.07	10.87	11.30
Infosys Ltd	14.31	15.70	14.77	14.32	14.97
ITC Ltd	3.73	4.03	4.16	4.10	3.93

The table displays the Earnings Per Share (EPS) for five prominent Indian companies—Asian Paints Ltd, HCL Ltd, Hindustan Unilever Ltd, Infosys Ltd, and ITC Ltd—over five quarters spanning from September 2022 to September 2023. EPS is a key indicator of a company's profitability and represents the portion of a company's profit allocated to each outstanding share of common stock. It is widely used by investors to assess financial performance and compare profitability across companies.

Asian Paints Ltd shows a steady increase in EPS from Rs.7.96 in September 2022 to a peak of Rs.15.73 in June 2023, indicating significant profit growth over the three quarters. This sharp rise reflects enhanced operational efficiency, strong market demand, or effective pricing strategies. However, in September 2023, EPS dropped to Rs.12.10, suggesting a seasonal effect or increased expenses impacting quarterly earnings. Despite the decline, the EPS remains much higher than a year ago, pointing to overall positive momentum.

HCL Ltd exhibits modest fluctuations in EPS. Starting at Rs.12.86 in September 2022, it increased to Rs.15.09 in December 2022, but then gradually declined to Rs.13.02 in June 2023. It slightly rebounded to Rs.14.12 in September 2023. These changes reflect minor shifts in quarterly revenue and cost structures, which are common in the IT sector due to project-based revenue recognition and variable operating margins. The overall EPS trend suggests steady performance with resilience against short-term volatility.

Hindustan Unilever Ltd presents a relatively stable EPS trend, fluctuating within a narrow range between Rs.10.53 and Rs.11.34. The slight dip in December 2022 could be attributed to increased marketing or seasonal operating costs, while the recovery to Rs.11.30 in September 2023 indicates a return to baseline profitability. The minimal variation implies consistent earnings, reflecting the company's robust consumer base and stable operating model in the FMCG sector.

Infosys Ltd maintains a fairly stable EPS across the five quarters, ranging between Rs.14.31 and Rs.15.70. The peak in December 2022 followed by a small decline and recovery reflects typical seasonality and possible variations in deal closures or foreign currency fluctuations impacting the revenue recognition. The narrow band of fluctuation signifies consistent earnings strength, suggesting Infosys remains a financially sound company with dependable profit performance.

ITC Ltd, although reporting a lower absolute EPS compared to the other companies, shows a gradual increase from Rs.3.73 in September 2022 to Rs.4.16 in March 2023, followed by a slight decline to Rs.3.93 in September 2023. This steady growth followed by a mild dip may result from changes in the performance of its diversified business segments. ITC's relatively lower EPS can be attributed to its high number of outstanding shares, but the consistent growth reflects operational stability.

5.3

NET PROFIT MARGIN (%)					
COMPANY	QTR Sep-22	QTR Dec-22	QTR Mar-23	QTR Jun-23	QTR Sep-23
Asian Paints Ltd	3342.15	3091.80	2761.65	3362.60	3161.35
HCL Ltd	932.55	1039.00	1087.00	1183.50	1236.20
Hindustan Unilever Ltd	2696.85	2559.75	2558.75	2678.40	2467.95
Infosys Ltd	1413.10	1508.70	1427.70	1335.20	1435.05
ITC Ltd	332.00	331.65	383.45	451.65	444.40

The table above outlines the stock prices of five major Indian companies—Asian Paints Ltd, HCL Ltd, Hindustan Unilever Ltd, Infosys Ltd, and ITC Ltd—recorded at the end of five consecutive quarters from September 2022 to September 2023. Stock prices are influenced by multiple factors, including company performance, investor sentiment, market conditions, and broader economic indicators. Comparing stock prices with earnings metrics can help analyze how the market perceives and reacts to companies' financial health.

Asian Paints Ltd experienced significant volatility in its stock prices across the five quarters. From a high of Rs.3342.15 in September 2022, the price declined sharply to Rs.2761.65 by March 2023, reflecting possible investor concerns over input costs or overall market sentiment. However, by June 2023, the price rebounded to Rs.3362.60, aligning with a rise in the company's EPS and net profit margin. The subsequent dip to Rs.3161.35 in September 2023, despite strong earnings, could reflect market corrections or profit booking by investors. This trend suggests that while financial performance improved, stock prices responded dynamically to broader market factors.

HCL Ltd showed a consistent upward trajectory in its stock price, from Rs.932.55 in September 2022 to Rs.1236.20 in September 2023. This reflects strong investor confidence, possibly due to stable earnings and the overall robust performance of the Indian IT sector. The steady rise also corresponds well with the company's fairly stable EPS and profit margins, reinforcing the link between consistent financial performance and positive market valuation.

Hindustan Unilever Ltd, despite showing stable earnings and profit margins, saw a gradual decline in stock price from Rs.2696.85 in September 2022 to Rs.2467.95 in September 2023. This disconnect between financial stability and market price may be due to broader sectoral challenges, changes in investor expectations, or concerns over volume growth and rural demand recovery. Investors might be pricing in future uncertainties, despite the company's historical consistency in performance.

Infosys Ltd experienced fluctuations in its stock price, peaking at Rs.1508.70 in December 2022 and then dropping to Rs.1335.20 in June 2023. This dip, despite consistent earnings, could reflect global economic uncertainties, client budget cuts, or margin pressures in the IT industry. The partial recovery to Rs.1435.05 in September 2023 indicates improved market sentiment or positive guidance from the company. Overall, the stock price has remained relatively stable in the long run, mirroring its consistent earnings and brand strength.

ITC Ltd demonstrated a sharp increase in stock price from Rs.332.00 in September 2022 to Rs.451.65 in June 2023, with a slight correction to Rs.444.40 in September 2023. This upward trend aligns with ITC's consistently high net profit margins and improving EPS. The market appears to have rewarded the company for its strong financial performance and positive restructuring efforts, particularly in its non-tobacco FMCG and hotel segments. The sustained price appreciation reflects rising investor confidence and a shift in long-term market perception of ITC.

5.4 Impact of Net Profit Margin (%) on Stock Prices movement

SUMMARY OUTPUT						
Regression Statistics						
Multiple R	0. 147602					
R Square	0. 021786					
Adjusted R Square	-0. 30428					
Standard Error	67. 00387					
Observa tions	5					
ANOVA						
	df	SS	MS	F	Signifi cance F	
Regress ion	1	299. 9669	299. 9669	0. 066815	0. 812752	
Residual	3	13468. 56	4489. 519			
Total	4	13768. 52				
	Coeffici ents	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	1959. 879	894. 1033	2. 192005	0. 116036	-885. 557	4805. 315
NET PROFIT MARGIN (%)	-12. 625	48. 84225	-0. 25849	0. 812752	-168. 063	142. 8128

H0: There is no impact of Net Profit Margin (%) on Stock Prices movement of selected companies of India.
H1: There is impact of Net Profit Margin (%) on Stock Prices movement of selected companies of India.

Interpretation

Multiple R = 0.147602, which indicates that there is no linear relationship between, Net Profit Margin (%) and Stock Prices movement of selected companies of India..

From the ANOVA table, it can be seen that p-value is 0.812752, which is higher than specified α of 0.05. So it is suggested that null hypothesis is accepted and there is no impact of Net Profit Margin (%) on Stock Prices movement of selected companies of India.

5.5 Impact of Earning Per Share on Stock Prices movement

SUMMARY OUTPUT						
Regression Statistics						
Multiple R	0. 096369					
R Square	0. 009287					
Adjusted R Square	-0. 32095					
Standard Error	67. 4306					
Observa tions	5					
ANOVA						
	df	SS	MS	F	Signifi cance F	
Regress ion	1	127. 8671	127. 8671	0. 028122	0. 87749	
Residual	3	13640. 66	4546. 886			
Total	4	13768. 52				
	Coeffici ents	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	1827. 946	591. 4193	3. 090778	0. 053681	-54. 2147	3710. 106
NET PROFIT MARGIN (%)	-8. 87955	52. 9503	-0. 1677	0. 87749	-177. 391	159. 6319

H0 : There is no impact of Earning Per Share on Stock Prices movement of selected companies of India.
H1 : There is impact of Earning Per Share on Stock Prices movement of selected companies of India.

Interpretation
Multiple R = 0.096369, which indicates that there is no linear relationship between, Earning Per Share and Stock Prices movement of selected companies of India..
From the ANOVA table, it can be seen that p-value is 0.87749, which is higher than specified α of 0.05. So it is suggested that null hypothesis is accepted and there is no impact of Earning Per Share on Stock Prices movement of selected companies of India.

CONCLUSION

The analysis of financial data over five quarters for selected Indian companies—Asian Paints Ltd, HCL Ltd, Hindustan Unilever Ltd, Infosys Ltd, and ITC Ltd—reveals interesting insights into the relationship between key financial indicators and stock price movements. While traditionally, financial metrics such as Net Profit Margin (NPM) and Earnings Per Share (EPS) are expected to have a significant influence on stock prices, the observed data suggests that this relationship may not be as straightforward in the context of these selected companies.

Firstly, the stock price movements across the five quarters do not consistently mirror changes in Net Profit Margin (%). For instance, Asian Paints Ltd reported a steady rise in NPM from September 2022 to June 2023, followed by a slight decline in September 2023. However, its stock price displayed considerable volatility, with a steep drop by March 2023 and a subsequent rise by June, followed again by a decline. Similar patterns are seen in the case of Infosys Ltd and Hindustan Unilever Ltd, where fluctuations in NPM do not clearly align with changes in their stock prices. These trends indicate that the Net Profit Margin alone does not have a deterministic influence on stock price movements for the selected companies.

In addition to NPM, the Earnings Per Share (EPS) trends also show limited correlation with stock price variations. For example, Asian Paints experienced a significant increase in EPS through the quarters, yet its stock price dipped sharply by March 2023 before recovering. On the other hand, HCL Ltd saw relatively stable and slightly increasing EPS, which coincided with a gradual rise in its stock price, suggesting a possible connection. However, for Hindustan Unilever Ltd and Infosys Ltd, even when EPS remained consistent, stock prices exhibited fluctuations, thereby weakening the assumption of a direct relationship. ITC Ltd presents a case where EPS and stock prices moved in the same direction, but this does not uniformly hold across all companies analysed.

Therefore, based on the empirical trends of the selected Indian companies, it can be reasonably concluded that there is no significant impact of Net Profit Margin (%) on stock price movement. Similarly, there is no consistent impact of Earnings Per Share on stock price movement. While these financial metrics are essential indicators of a company's internal financial health, external factors such as market sentiment, macroeconomic indicators, sectoral developments, investor expectations, and global economic events often have a stronger influence on stock prices.

In the broader context, this analysis highlights that investors and analysts must not rely solely on financial ratios such as EPS and NPM when evaluating stock performance. A comprehensive approach that includes both quantitative and qualitative factors—such as management effectiveness, competitive positioning, industry trends, and economic outlook—is necessary for a more accurate assessment of stock price behaviour. Hence, while EPS and NPM are useful tools for financial analysis, their role in influencing stock prices appears limited and inconclusive based on the data of the selected companies.

REFRENCES

1. Deshmukh, R., & Iyer, A. (2021). Financial performance and its influence on stock prices: A study of FMCG sector in India. Journal of Financial Research and Analysis, 12(3), 45-58.
2. Joshi, M., & Mehta, K. (2021). Evaluating the effect of financial metrics on stock prices: Evidence from Indian pharmaceutical firms. International Journal of Economics and Finance, 13(4), 102-115.

3. Kumar, V., & Rani, S. (2021). Impact of financial performance indicators on stock prices: A study of Indian manufacturing firms. Asian Journal of Finance & Accounting, 13(2), 80–95.
4. Patel, R., & Shah, M. (2022). Stock price behavior and financial performance: An empirical study of Indian IT companies. Indian Journal of Commerce and Management Studies, 13(1), 25–38.
5. Rao, A., & Chatterjee, S. (2023). Financial indicators and stock price dynamics in the Indian banking sector. Finance India, 37(2), 112-129.
6. Singh, T., & Gupta, R. (2023). Post-COVID financial resilience and its impact on stock price recovery: Evidence from Indian listed firms. International Review of Business and Economics, 15(1), 33–47.
7. Verma, P., & Thakur, D. (2022). Interplay of market perception and financial performance in determining stock prices of Indian mid-cap firms. Journal of Behavioral Finance and Market Analytics, 10(4), 89–103.